

upon, the amount of such additional debt so secured which has been incurred after May 31, 1937, and with respect to which such tax shall not theretofore have been paid, less the principal amount of any debt then outstanding and secured by such instrument which is to be paid or refunded out of the proceeds of such additional debt.] THE DEBTOR SHALL PAY TAX AS FOLLOWS:

(1) THE TAX MAY BE COMPUTED AND PAID ON THE PRINCIPAL AMOUNT OF DEBT INCURRED AT THAT TIME. WITHIN 7 DAYS AFTER ANY ADDITIONAL DEBT IS INCURRED, THE DEBTOR SHALL FILE WITH THE CLERK OF THE COURT WITH WHICH THE INSTRUMENT HAS BEEN RECORDED A VERIFIED STATEMENT OF THE AMOUNT OF THE ADDITIONAL DEBT AND SHALL PAY TAX ON THAT AMOUNT. TO THE EXTENT THAT AN ADDITIONAL ADVANCE IS APPLIED TO REPAY EXISTING DEBT SECURED BY THE INSTRUMENT, THE TAX IS NOT DUE ON THE ADVANCE; OR

(2) WITH--RESPECT--TO--A--CONSUMER-TRANSACTION, FOR A CONSUMER BORROWER, AS DEFINED IN § 12-901 OF THE COMMERCIAL LAW ARTICLE, THE TAX MAY BE COMPUTED AND PAID ON THE AGGREGATE PRINCIPAL AMOUNT--OR--ON--THE--MAXIMUM--CREDIT--LINE SUM, WHETHER EXPRESSED AS THE AGGREGATE PRINCIPAL AMOUNT OR THE MAXIMUM CREDIT LINE, STATED ON THE FACE OF THE INSTRUMENT. IN THIS EVENT, THE TOTAL TAX LIABILITY SHALL BE SATISFIED BY PAYMENT OF TAX BASED ON THE AGGREGATE PRINCIPAL AMOUNT--OR--THE--MAXIMUM--CREDIT--LINE SUM, WHETHER EXPRESSED AS THE AGGREGATE PRINCIPAL AMOUNT OR THE MAXIMUM CREDIT LINE, REGARDLESS OF THE AMOUNT OF SECURED DEBT ACTUALLY INCURRED. THE SECURED PARTY SHALL INFORM THE CONSUMER BORROWER WHEN THE ORIGINAL EXTENSION OF CREDIT IS GRANTED OF THE 2 OPTIONAL METHODS AVAILABLE UNDER THIS SECTION FOR THE PAYMENT OF TAXES. IF THE DEBTOR ELECTS TO PAY ANY REQUIRED TAX AS DEBT IS INCURRED FROM TIME TO TIME, THE SECURED PARTY SHALL INFORM THE DEBTOR WHEN THE ORIGINAL EXTENSION OF CREDIT IS GRANTED OF THE DEBTOR'S RESPONSIBILITY TO PAY THAT TAX AND THE APPLICABLE PENALTIES INCURRED UNDER SECTION 278(D) OF THIS ARTICLE FOR FAILURE TO DO SO.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1984.

Approved May 29, 1984.

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CHAPTER 733

(Senate Bill 267)

AN ACT concerning

State Permit Coordinating Council

FOR the purpose of requiring that appointees to the State Permit Coordinating Council take a certain oath of office;